

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**FIRST SUPPLEMENTAL DECLARATION OF SAMUEL E. STAR
IN SUPPORT OF THE APPLICATION AUTHORIZING THE EMPLOYMENT
AND RETENTION OF FTI CONSULTING, INC. AS FINANCIAL ADVISOR TO
THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

NUNC PRO TUNC TO OCTOBER 25, 2018

Pursuant to 28 USC Section 1746, Samuel E. Star declares as follows:

1. I am a Senior Managing Director with FTI Consulting, Inc., together with its wholly owned subsidiaries and independent contractor(s) (“FTI”), an international consulting firm. I submit this declaration (the “First Supplemental Declaration”) to supplement my prior declaration that was submitted in connection with FTI’s retention in these Chapter 11 cases.

Unless otherwise noted, I have personal knowledge of the facts set forth herein.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); My Gofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

2. On October 15, 2018, the Debtors commenced these cases by filing voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

3. On December 6, 2018, the Committee filed an application to retain FTI as its Financial Advisor (the “Application”). In support of the Application, FTI filed a declaration (the “Original Declaration”) executed by the undersigned on behalf of FTI in accordance with the applicable sections of the Bankruptcy Code. On or about December 19, 2018, an order was entered authorizing the retention of FTI as financial advisor to the Committee (the “Retention Order”).

4. As noted in the Application, FTI’s hourly rates are subject to periodic adjustment. Effective January 1, 2019 such hourly rates range as follows:

United States

| | <u>Per Hour (USD)</u> |
|---|-----------------------|
| Senior Managing Directors | \$895 - 1,195 |
| Directors / Senior Directors / Managing Directors | 670 - 880 |
| Consultants/Senior Consultants | 355 - 640 |
| Administrative / Paraprofessionals | 145 - 275 |

These rates continue to be subject to periodic adjustment.

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I declare under penalty of perjury that the foregoing is true and correct

Executed this 13th day of February, 2019

FTI CONSULTING, INC.
Financial Advisors to the Official Committee of
Unsecured Creditors of Sears Holdings Corporation, *et al.*

By: /s/ Samuel E. Star
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